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UP scouts new markets as US tariffs hit textiles, jewellery and leather

Uttar Pradesh looks to Latin America, Europe, Africa and South-East Asia for exports as US tariffs squeeze textiles, jewellery and leather, with a new policy aiming Rs 5 trillion exports by 2030

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Some of the key markets to be explored include Malaysia, Spain, Italy, Brazil and South Africa | Image: Bloomberg

With the US tariffs expected to hit domestic textiles, jewellery and leather exports, Uttar Pradesh is scouting for fresh export markets across continents.

The new markets on UP's trade radar include Latin America, Europe, West Asia, Africa and South-East Asia.

At present, the US is UP's top export destination, accounting for more than Rs 35,000 crore worth of shipments in the financial year 2024-25, followed by the United Kingdom, Germany, Nepal, Australia, France and the Netherlands.

However, the high tariffs of 25 per cent slapped by the Trump administration on India, apart from the prospect of an additional 25 per cent duty kicking in next week, have set alarm bells ringing among domestic exporters.

In this backdrop, the Yogi Adityanath government is looking to tap new markets beyond the US to insulate against tariff-induced trade fluctuations.

Some of the key markets to be explored include Malaysia, Spain, Italy, Brazil and South Africa.

“We are exploring fresh markets not only for UP's traditional merchandise such as textiles, handicrafts and leather goods, but also new product lines spanning industrial goods and machinery,” a senior UP official said.

Meanwhile, the Yogi government is in the process of drafting a new export promotion policy for the next five years.

The policy aims to augment UP's exports from the current level of Rs 1.70 trillion to nearly Rs 5 trillion by 2030. The state government is targeting to raise its share in India's export basket from less than 5 per cent to 7.5 per cent as part of its \$1 trillion economy goal.

The proposed policy will provide incentives to domestic and global investors by strengthening the industrial development ecosystem. According to state Micro, Small and Medium Enterprises (MSME) secretary Pranjal Yadav, UP ranks fifth in terms of exports and the government is taking a slew of measures to increase shipments.

The policy is also likely to provide Rs 10 crore as capital subsidy to investors. A dedicated export promotion fund will be created to support exporters in participating in global marketing events.

UP is renowned for its artisan-based economy, with Varanasi famous for Banarasi silk saris, Bhadohi for carpets, Lucknow for chikankari, Kanpur and Agra for leather goods and footwear, Aligarh for locks, Moradabad for brassware, Meerut for sports goods, and Saharanpur for wooden products.

The state government is also converting expressways into industrial corridors to accelerate manufacturing.

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